

SPECIAL COUNCIL WORK MINUTES
MAY 21, 2013

The City Council held a special work meeting on Tuesday, May 21, 2013, at 3:08 p.m., in the Council Chambers, 10 North Main Street, Cedar City, Utah.

MEMBERS PRESENT: Mayor Joe Burgess; Councilmembers: Ron Adams; Nina Barnes; John Black; Paul Cozzens; Don Marchant.

STAFF PRESENT: City Manager Rick Holman; City Attorney Paul Bittmenn; City Engineer Kit Wareham; City Recorder Renon Savage; Finance Director Jason Norris; Library Director Steve Decker; Parks Superintendent Wally Davis; Wastewater Superintendent Darrell Olmsted; Water Superintendent Robbie Mitchell; Public Works Director Ryan Marshall; Project Engineer Jonathan Stathis; Heritage Center Manager Jason Clark.

OTHERS PRESENT: Kristin Daniel.

CALL TO ORDER: City Manager Rick Holman gave the opening prayer.

Mayor – yesterday I met with members of the Paiute Tribe and they have a history preservation committee. We have talked with them about doing something downtown to help with their history. They have hired an architect to do a rendering. When we did the downtown park planning it didn't have anything in for that. They feel they will get the most exposure in front of the Library. They hired Raymond Gardner to come up with ideas. Each rock will have petroglyphs on them. This would be a third sidewalk entrance. We are working on an agreement and will bring it to the council the first set of meetings in June. They got excited when they heard we had 75,000 to 80,000 people come into the library each year. As we talked about different situations we talked about a time frame, they have to come up with the resources; it could be late 2014 or 2015. Barnes – has it been to the Library Board? Steve – it has not, this just came to our attention in the past few days. There is a meeting tonight and it will be brought up. Black – the landscape to the south will need low profile spray heads to keep the water off of it. Mayor – they want some native plants around this so there will be a buffer. Marchant – is our only commitment space? Mayor – no, maintenance and liability. Marchant- if we can make it work I would like to see it happen. Barnes – I would be happy to facilitate a meeting with Veteran's Park people, they may find a lot of participation. Mayor – Dane Leavitt and Dale Orton are helping them and they have some support from the LDS Church.

FY 2014 BUDGET: Library – Steve Decker - it is straight forward, increases are offset by the increased tax money from the proposed interlocal agreement between the communities and the County. Other than that it is about the same other than travel and training. The ALA conference is in Vegas, I have been Librarian 15 years and only to one conference in that time. It is great training opportunity. Mayor – you want to look at the added revenue from the property tax assessment, if you have questions we need to talk about that. The increases are as follows: general collection from \$31,400 to \$36,000; young adult books \$14,000 to \$20,000; children's 23,000 to \$32,000. Black – is this all hard bound? Steve no, it is all material. We replace with paperback books and some are on CD. Much of this will go into CD or downloadable material;

it shows books on the budget. Barnes – what is the trend across the country? Steve – e-books is rising, the price is coming down, we have not taken the opportunity to buy additional material, we have got them from Pioneer through the State. It would increase electronic books. The trend for print books is not decreasing. We order books, audio, both downloadable and physical. The library of downloadable books is small. Mayor - we went from \$1,250 to \$3,000 in downloadable books. Marchant – is there a rating on books? Steve – no, only on video. Barnes – I had a situation with a young book, are they not rated? Steve - no. Barnes – can the increase be used for e-books? Steve – yes. Barnes – is there a desire for more training, I think we would get more use if people knew about the help they could get in the library. Steve – we are trying to get the information out. Emily and Lauren are very good at it. We have not had classes because it hasn't worked for us. We have tried something called roving reference so they can leave the desk and work one on one at the reference desk with e-pads, i-pads and smart phones. We are trying to do it during different times of the day. Mayor – Capital item is \$40,000 for carpeting, if approved we will carry forward the resources with this year's budget and carpet the rest of the public space. Steve – we did the large meeting rooms. We have \$10,000 this year for the children's room and would like to only close the library once. Steve – we do this with carpet tiles so we don't have to move the shelving and it is less expensive. Cozzens – will you buy additional? Steve – yes if we have the budget. Barnes – when we talked before on the Bookmobile issue we talked about putting a level system on the books. The kids are on a level system at school, it would be nice to coincide with that system. There are teachers that will help with that. Steve – libraries resist those things because we don't want to place a reader in the level. My wife tells a story that in 1st grade they could only look at one shelf of books and she was much beyond that. Also, the programs change. I am not against it, but that is why we resist. Easy readers are broken out. Barnes – the School District is frustrated so kids fall back in their reading. It would be nice if it was color coated. Steve – we can look at something. I don't know what the cost would be but we can evaluate the funds and see what we would need.

Wastewater: Darrell Olmsted – Collections – I am asking for \$500 increase in equipment maintenance that is the only increase. Rick – in the revenue section it is an increase, when we did the rate study we changed the portion going to the plant and collections we are not at 54/46 percent split. This will help with sewer line replacement. Black – why the increase in the insurance? Jason – we reallocated based on budget dollars. Capital projects – Mayor – we talked about replacement line going to Kitty Hawk and further. Darrell – this is the full length, it goes from Coal Creek to the Airport about the place of the Tanker Base. Mayor – I thought we cut that back. Darrell – if we upsize the line from Western Quality foods going north then when we get to Coal Creek it is a smaller line, so we would upsize that line to 21 inch line. Equipment Storage Bay, we have a camera truck that has electronics in that need to be plugged in and heated. We want to enclose one bay to put the truck in to keep it warm. Marchant – will heating be installed? Darrell – yes, just above freezing. Black – manholes, are those fixed? Darrell – no, we are still working with the contractor, they will tear out the existing material they put in and the reinstall and put an epoxy coating on it. We have 15 – 17 manholes, when we found they didn't hold up we stopped the rehabilitation until this is fixed. We will move on once it is fixed. Cozzens – the problem by Blackburn, did you replace the line? Darrell – yes, we installed about 100 feet of new line. This new line will attach to that and go north. We don't have problems with pvc pipe, only concrete pipes. With the manhole rehabilitation is on 2300 West and it is the concrete manholes not the lines with the problem. We can put a coating with a concrete mix and

epoxy coating or put a slip line or replace the manhole with fiberglass manhole. Marchant – are they still using concrete in new construction? Darrell – yes, the hydrogen sulfate that causes the problems. Mayor – that is the challenge we have in front of Western Quality Foods. Darrell – there is a wire mesh inside the concrete pipe, we can now see the mesh.

Sewer Plant Fund – Darrell – this budget increased \$300 in travel and training \$100 in office supply & expense and \$500 in uniform services to cover the increases. Mayor – we have in prior budgets \$8.8 million set aside for the plant. We are not putting additional in that fund this year. There is also a \$3,000 skid loader replacement. We own it and trade it in each year for \$3,000. Barnes – what is special department supplies? Darrell – things not specific to equipment, nuts, bolts, tools, maintenance type things. The turbo went out on our generator last Tuesday, it runs each Tuesday, and it ran for 10 minutes and then blew and broke the shaft. We got it shut down and have a replacement turbo ordered, replaced it Wednesday, we have another turbo being manufactured. The generator is 17 years old. We hope to have the second turbo here soon.

Heritage Center: Mayor – this has Festival Hall and Byron's recruiting also. Jason Clark – our modifications to the budget have to do with usage. Two years ago we had 370 events, this year we are on track to have 700 events. A large portion of that is recovering economy and changes to marketing and rate modifications. We have asked increase in temporary labor. In addition myself and Byron met with the Mayor and City Manager and were asked to put additional in for maintenance to address in an incremental approach. Cozzens – what are some of those? I have seen problems with the walk way. Jason – we have leaking in roofing. Cozzens – Jamie Edwards is really good at locating leaks. Jason – we have had leaks for many years and have had several people look at it and have not resolved the issue. Mayor – on temporary wages we went from \$38,000 to \$44,250 and then to \$47,500. Jason – part of the modification is for labor, we have taken money for other areas in the past. We are looking at another 700 event year. We cannot defer equipment and maintenance much longer. Marchant – will this help with sound? Jason – we have had upgrades in the theatre for wireless microphones. There are some factors that we cannot control, if they bring in their own sound engineer. There were a few events this past year that drew notoriety in this. Unless we implement a policy where they use our sound engineers we will have those problems. Marchant – the Viet Nam Veteran the microphone cut out and the video stopped and started. Jason – they used their own computer to feed our projector. The microphone I was not aware of the problem. If you experience those events I would like you to bring it to our attention. We have brought on staff that is more experienced in this area. Cozzens – where does it show revenue? Mayor – we are up \$10,000. Jason – we have suspense accounts for ticked revenue. We just wrapped up the concert season and I sent memos to roll that over. Jason – no they are not in yet, but it would not affect this. The Heritage Center has increased from \$66,000 to \$76,000 for the upcoming budget. Mayor – with us lowering the rates it increased usage, but not revenue as much. Jason – the usage is up by organizations that have not used in the past. Weddings are up significantly. We had a dance studio use it, so a lot more organizations are aware of the availability. Cozzens – are weddings a money maker? Yes. Marchant – what about funerals? Jason – we have only had one, but if we had others it would be. We charged a flat private rate, we won't make a significant amount of money, but the Morticians asked about our rates.

TRT Tax: Mayor – there are a few things that have changed, we filed with the State and determined that the timing with the State is different than we hoped, we thought we could get it on for the second quarter, July 1 – Sept 30. You have to have changes in by the first of April, they post the first of May and go in affect the next quarter. So instead of us having the \$130,000 for this budget, it is \$80,000, so that creates some issues, see Exhibit “A”. To make this balance we propose that the additional money come from RAP Tax. We were in hopes to give Summer Games more money; do we do more than \$30,000? We also wanted to give ARTS people more. Marchant – Shakespeare would still participate in RAP Tax? Mayor – that is our recommendation. Do we have Shakespeare get all from RAP Tax or do we have \$10,000 from TRT? Marchant – we discussed only having them take money from one of the places. Mayor – community promotions we have cut over the past several years. We could do away from the \$21,000 in this year; we can give that to Summer Games. I would like to do what we have on the paper or have RAP Tax do all Shakespeare this year and bump Summer Games to \$40,000. Barnes – if we had Shakespeare in here and they see this, they have filled our motels for 50 years. I think the message we send if we do that. If we only have this much money and we boost Summer Games and have Shakespeare go to RAP tax that is offensive. Why not take it out of our marketing and recruitment. This entire cost savings is saving the City budget money. We have absorbed that Summer Games money in the budget. Mayor – if they still get the same amount of money, because we only have \$80,000, I think they understand especially with us doing the \$2 million and speed up the dollars we gave to them so they qualified with the State. I agree we should have it come from TRT, I don’t know if we should have it all come from TRT. I just don’t know what the options are. Barnes – I think Shakespeare is appreciative. Marchant – they still get the money. In the future the TRT will handle that well, but we anticipated money that we are not going to have, in the future it will wash away. Mayor – what is your proposal, to up Summer Games out of Community Promotions? I don’t like to tax people and give it to someone else. My proposal is in front of you. Barnes – I think we need to give some to Shakespeare so the Arts organizations get more money in RAP Tax. If you have a proposal to get rid of Community Promotions I am ok with that. Mayor – we have \$25,000 in that, do we give \$10,000 to Shakespeare and hold \$15,000. Paul – we have to still have a public hearing to give money to Shakespeare. You can do that with the public hearing for the budget. Barnes – I would like Summer Games and Shakespeare equal out of the TRT. Mayor - \$20,000 to each Shakespeare and Summer Games and have Shakespeare go to RAP tax and then take the extra for Summer Games from the Community Promotions, and do we do it as a line item. Barnes – I think that should be done every year. Mayor – John that is less than you and I talked about. Black – we have one year situation and we will have to deal with that. Marchant – people are sensitive to it. Mayor – are any of you opposed to that? Black – with the balance of the Community Promotion fund we would have \$15,000 over. Mayor – yes and we will put the \$10,000 for Summer Games as a line item so they don’t have to compete for that. Barnes – is it mandated we have the 15% reserve this year? Jason – yes.

Water Recharge Study: Mayor – one of the reasons we are bringing this to you, we recently received it. They are asking that we pay a portion of the study, if we want to do that we need to include funds from somewhere.

Kit – this is the recharge project at Quichapa Lake. I think this is a great project to capture water for aquifer where most of our wells are. I do have some concerns about their proposal. They are

asking for 25% , but preferably 50% participation. We already pay a huge amount of money to their organization and I am not sure why we should pay more. They are proposing to have the State do the study for them, specifically the Utah Geological Survey do that for them. Cozzens – they are looking at Quichapa, Airport and the Valley. You have been successful in doing the recharge by the Airport, why spend the money to study that. The other issue, the Quichapa water is so concentrated TES. Kit it is very high. Cozzens – we have got to capture that water where it is not contaminated. Why do that until we know how to store it without contamination. Kit – that should be part of the study. Jonathan and I put together a punch list of 30 items to make this project successful that was one of them to store the water without contamination. Black – what they are projecting in cost would it include that? Kit – I don't know, they are going to geologists. My first concern is going to the Utah Geological Survey to do this which is the same group that did the subsidence study which did not work out. I hate to repeat history. Mayor – if we hired a contractor and they didn't perform we wouldn't hire them again. Kit – Most agencies will get a consultant to do the application and submit it to the State to review and if they have problems they get together and solve the problem. In this case the agency applying is skipping a step, going directly to the State who is the approving agency and who knows what you are going to get. What if you get a bureaucrat that doesn't want the water taken from Quichapa and it could be stonewalled. Cozzens – we decided in our meeting not to do this, we didn't think it was a good time. If we do any kind of study, I think it is important to plug off the culvert and pump the north side dry and do some testing of our own and see how far down the TES is. Kit – we could put together a micro study, but to do it right it needs to be comprehensive. Black – do the micro study first to see if it is feasible. Cozzens – why study the recharge before we know if the water is good. Kit – we can if Robbie has some extra money. We could do the study if we had time, but we need a capable consultant to do the study. Cozzens – could we team up with the WCD and do it cheaper than a consultant? Kit – I don't know about cheaper, but they need to not low ball the study. Black – we have had two projects with the group that hasn't worked out. Mayor – we have \$50,000 set aside to buy water rights. Robbie – we have \$25,000 to do this type of thing in the budget. Mayor – we could amend the budget next spring and make adjustments if needed. Cozzens – the Water District should bear the majority of the costs. Mayor – I would like to continue to buy water rights with the \$50,000.

Mayor – we will make the changes we talked about today and put on your i-pads by 10:00 a.m. tomorrow. We will have a public hearing and vote on a tentative budget. We can still make changes until June 12th when we adopt the final budget. The only thing different is the change in the Community Promotions and a line item for the Summer Games, that is the only change that will be made. Barnes – what about the workers comp changes. Jason – the way Workers Comp works, it is insurance for employee accident. We used the standard rate that is the major increases. We use third party insurance, because of that we get some credit back if we don't have accidents. I wasn't aware of that, so the way we allocate is the probability of a department having a claim that is why Police and Fire have a higher allocation because they have more workers comp claims than other areas of the city. Black – were adjustments made? Mayor – yes. Jason – money went to the Aquatic Center concessions. We had minor adjustments. Mayor – Cross Hollow Event Center temporary wages was an area we put some money. Jason – there is a fund balance that is where it reduced. It was about \$30,000. Mayor – at the end of the day most comes from the general fund. We do have rates for different classifications, so we tried to make them as accurate as possible. Jason – there was \$4,000 in the golf course. Black – how

did we apply the \$.31 water for the departments? Rick – we are applying that this year. Robbie has a report showing what each department uses; we can get you that information. Barnes – we were going to look at partnerships with the other agencies such as cemetery. Rick – we will have Wally see if he can tell how many are Iron County. Barnes – also look at recreation. Have we talked with the School District about the crossing guards? Chief – not yet.

ADJOURN: Councilmember Black moved to adjourn at 4:50 p.m.; second by Councilmember Cozzens; vote unanimous.


Renon Savage, CMC
City Recorder

EXHIBIT "A"
MAY 21, 2013 BUDGET MEETING

**Transient Room Tax
2013 – 14 Budget**

| | | |
|-----------------------------|---------------|----------|
| Revenue | | \$80.000 |
| 50% Event Support | 40,000 | |
| Summer Games | 30,000 | |
| Shakespeare | <u>10,000</u> | |
| Balance | -0- | |
| 40% Marketing, Recruitment | 32,000 | |
| Byron Travel & Training | 24,600 | |
| Byron Special Event Support | <u>7,400</u> | |
| Balance | -0- | |
| 10% Reserve | 8,000 | |

